



General Assembly

January Session, 2015

***Proposed Bill No. 807***

LCO No. 2547



\* 0 2 5 4 7 \*

Referred to Committee on INSURANCE AND REAL ESTATE

Introduced by:

SEN. LOONEY, 11<sup>th</sup> Dist.

SEN. FASANO, 34<sup>th</sup> Dist.

***AN ACT CONCERNING FAIRNESS AND EFFICIENCY IN INSURANCE CONTRACTING.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

- 1 That the general statutes be amended to: (1) Require the Insurance
- 2 Commissioner to adopt regulations, in accordance with the provisions
- 3 of chapter 54 of the general statutes, to develop a pilot program for
- 4 tiered network plans that, without limiting the total number of health
- 5 care providers or restricting the choice of health care providers within
- 6 the plan, will require insurers that offer individual and small group
- 7 health insurance policies to offer at least one tiered network plan and
- 8 run for not less than three years. A tiered network plan shall (A)
- 9 reward insureds for choosing low-cost, high-quality health care
- 10 providers by offering lower copayments, deductibles or other out-of-
- 11 pocket expenses, (B) limit variations in insureds' cost sharing between
- 12 provider tiers to reasonable levels while providing adequate access to
- 13 covered services at all tier levels including the lower cost-sharing tier,
- 14 and (C) limit premiums for such plan to at least ten per cent lower than
- 15 the premiums the insurer's nontiered plans that are actuarially similar.

16 The commissioner, in consultation with the Healthcare Advocate and  
17 the chief executive officer of the Connecticut Health Insurance  
18 Exchange, shall annually review and report to the General Assembly  
19 on the implementation of the pilot program, including enrollment,  
20 utilization trends, costs, quality of care and outcomes for insureds and  
21 satisfaction of insureds, and shall make recommendations for any  
22 modifications to the program; (2) prohibit hospitals and health systems  
23 from (A) requiring insurers to contract with all health care provider  
24 locations or facilities within their system or for all services they offer,  
25 and (B) requiring insurers to pay the hospital rate for services  
26 provided in outpatient facilities or health care providers' offices; (3)  
27 prohibit hospitals from billing under the hospital's tax identification  
28 number for services provided outside the hospital; (4) require hospitals  
29 located in the same market to negotiate separately with insurers and  
30 health care providers even if such hospitals are commonly owned; (5)  
31 prohibit the inclusion of contract provisions that prohibit or limit the  
32 disclosure of price, cost or claims information; and (6) require the  
33 development and use of (A) uniform industry coding and billing and  
34 claim forms, and (B) standard forms for, including, but not limited to,  
35 benefit summaries, out-of-pocket expense explanations and prior  
36 authorization requests.

***Statement of Purpose:***

To promote the use of low-cost, high-quality health care providers, mitigate the anticompetitive effects of hospital consolidations and encourage administrative efficiency.